

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 40

February 2, 2009

SUMMARY OF BILL: Effective July 1, 2009, requires all inmates to be tested for "blood borne pathogens" which include, but are not limited to hepatitis B virus (HBV) and human immunodeficiency virus (HIV). Requires all inmates in the Tennessee correctional system to be tested for these pathogens by July 1, 2010.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$581,700/One-Time
\$3,512,800/Recurring**

Assumptions:

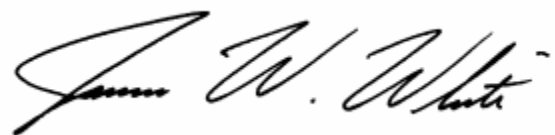
- Under current law, testing for HIV is required only if the offender is 21 years of age or less.
- On average 7,000 offenders are admitted to the Department of Correction (DOC) each year. DOC estimates 70 percent (4,900) are currently being tested for HIV and 43 percent (3,010) are being tested for hepatitis. Estimated cost per test for HIV is \$8 and \$16 for hepatitis. According to DOC's 2008 Annual Report, the state-wide average time served for all offenses is four years. An offender with HIV requires treatment for the entire length of incarceration. DOC estimates an offender with hepatitis will require treatment for approximately nine months.
- Each year 2,100 offenders will be tested for HIV who are not currently being tested, at a cost of \$8 per person for a total of \$16,800 (\$8 x 2,100) for the initial testing. DOC estimates 21 of those offenders will test positive for HIV and will require further testing to determine the appropriate treatment. The additional tests to determine treatment will cost \$215 per offender for a total of \$4,515 (\$215 x 21). The average cost of treatment for an HIV patient is \$1,589 per month or \$19,068 per year. The cost for treatment for 21 additional offenders will be \$400,428 for one year. The additional testing for the 21 offenders who tested positive for HIV will cost \$285 per offender for a total of \$5,985 (\$285 x 21). The total recurring cost for 21 additional offenders to receive HIV

tests and treatment for an average of four years will be \$1,629,012 ($\$400,428 \times 4 = \$1,601,712 + \$5,985 + \$16,800 + \$4,515$).

- Each year 3,990 offenders will be tested for hepatitis who are not currently being tested, at a cost of \$16 per offender for a total of \$63,840 ($\$16 \times 3,990$) for the initial testing. DOC estimates 18.18 percent (725) of the remaining 3,990 offenders will test positive for hepatitis. It costs approximately \$475 per offender who tested positive for additional tests to determine the necessary treatment for a total of \$344,375 ($\475×725). The average cost for treatment for a hepatitis patient is \$1,944 per month or \$17,496 for a nine-month period. The Department estimates an additional one percent (40) would require treatment ($3,990 \times .01 = 39.90$). The cost for 40 additional inmates to receive hepatitis tests and treatment will be \$1,108,055 ($\$17,496 \times 40 = \$699,840 + \$344,375 + \$63,840$).
- DOC currently has 19,497 offenders according to the 2008 Annual Report. DOC estimates 10 additional offenders from the current population would test positive for HIV. The average cost per offender for treatment is \$77,572. The recurring cost for the Department to treat these additional offenders will be \$775,720 ($\$77,572 \times 10$).
- Total recurring expenditures for the Department to perform the required tests and appropriate treatment are \$3,512,787 ($\$1,629,012 + \$1,108,055 + \$775,720$).
- DOC estimates that 20 percent (3,899) of the current population in Tennessee prisons have hepatitis ($19,497 \times .20 = 3,899$) and 42 of those offenders (1.07 percent) are currently being treated. The national average for hepatitis in prisons is 30 percent. DOC estimates the additional testing would increase the known number of cases by 10 percent ($19,497 \times .30 = 5,849$). Additional testing would result in an additional 21 inmates testing positive for hepatitis ($5,849 \times 1.07 \% = 63$ offenders – 42 currently being treated = 21). The cost per inmate for treatment is \$27,701. The one-time cost for the Department to treat these additional offenders will be \$581,721 ($\$27,701 \times 21$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/lsc